



PAKISTAN STOCK EXCHANGE LIMITED

N O T I C E

May 23, 2019

PSX/N-656

Reproduced hereunder letter No. PSX/C-46-2097 dated May 09, 2019 sent to **Pakistan Engineering Company Limited** by Pakistan Stock Exchange Limited and response received from Company vide its letter No. CFO/PECO/2019/0040 regarding **Re-Issuance of User Credential for PUCARS and RSA Secure ID Token**, for information of all concerned.



PAKISTAN STOCK EXCHANGE LIMITED
Stock Exchange Building, Stock Exchange Road, Karachi - 74000, Pakistan.
UAN: 111-001-122 Fax: 32410825
Website: www.psx.com.pk Email: info@psx.com.pk

Ref. No. PSX/ C-46-2097

May 9, 2019

The Managing Director
Pakistan Engineering Company Limited
6/7, Sir Ganga Ram Trust Building
Shahrah-e-Quaid-e-Azam
Lahore.

Pakistan Engineering Company Limited
PECO Road, Kot Lakhpat
Lahore.

Subject: Re-Issuance of User Credential for PUCARS and RSA Secure ID Token

Dear Sir,

This is with reference to your Company's letter, Ref. No. CFO/PECO/2019/0033 dated April 25, 2019, intimating the Exchange about the following:

- i. that the Company Secretary, Mr. Mian Anwar Aziz, has been terminated due to his involvement in illegal activities and all the future transactions shall be handled by Mr. Ali Ahmad Qureshi (Company Secretary) and Mr. Usman Faiz (Manager C&S);
- ii. that the Company has lost its PUCARS Secure ID Token and would request the Exchange to reissue a duplicate RSA Secure ID Token;
- iii. That the Company's contact details have been amended (new mailing address, phone numbers and email address was provided for all future correspondences).

The letter was enclosed with cheque No. CA 0000000062 of Rs. 7,500/- drawn from Faysal Bank Limited Johar Town Branch, Lahore, in favor of Pakistan Stock Exchange, as payment for re-issuance of duplicate PUCARS Secure ID Token.

Subsequently, on April 29, 2019 the Company intimated the Exchange through PUCARS that the Company's Board in their meeting held on December 14, 2018 had resolved:

- i. to remove the Managing Director, Mr. Mairaj Anees Ariff, from PECO Board with immediate effect.
- ii. that all illegal/unlawful statutory appointments/re-designations of any person, made by Mr. Mairaj Anees Ariff without the approval of Board [specifically CFO (Mr. Ali Ahmad Qureshi), Head of Internal Audit (Mr. Muhammad Ali) and GIM Business Development (Mr. Rana Imtiaz Ahmed)], are declared null and void.

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Thereafter, on May 02, 2019 the Company intimated the Exchange through PUCARS the following:

- i. that Mr. Ali Ahmed Qureshi had illegally written a letter to the Exchange for reissuance of PUCARS Secure ID Token;
- ii. that the PECO Board had only authorized Mr. Mian Anwar Aziz to manage all corporate and other affairs of the Company;
- iii. that no change has been made in the registered office of the Company.

In view of the contradictory and conflicting information received by the Exchange from the Company on its official letterhead (vide its letter dated April 25, 2019) and through PUCARS (vide its intimations dated May 2, 2019 & April 29, 2019), you are requested to immediately clarify all ambiguity by clearly informing the following:

- i. Name of the person authorized by the Board to manage all corporate and other affairs of the Company;
- ii. The relevant contact details of the company (i.e. the company's official mailing address, telephone number(s) and email address) which may be used by the Exchange and other market participants.

Further, it is regretted to note that the Company is not maintaining a functional website as no clarity could be obtained by viewing the Company's official website. The company's official website gives no contact details and its links were found to be non-functional. You are requested to explain the above non-compliance immediately.

Yours sincerely,

Asmaa Saleem Malik
Asmaa Saleem Malik
Deputy General Manager
Listing Department

Copy to:

1. **Federal Secretary of Industries & Production**
Ministry of Industries and Production, GoP
Room No. 102, 1st Floor, A Block Pak Secretariat, Islamabad
2. **The Director (Capital Issue), SECP**
NIC Building, Jinnah Avenue, Blue Area, Islamabad
3. **Acting Chief Regulatory Officer, PSX**



PAKISTAN ENGINEERING COMPANY LTD.

Company of State Engineering Corporation, Ministry of
Industries and Production, Government of Pakistan.

MOST IMMEDIATE
STRICTLY CONFIDENTIAL

Ref: CFO/PECO/2019/0040
Miss Asmaa Saleem Malik
Deputy General Manager
Listing Department.

Subject: - Re-Issuance of User Credential for PUCARS and RSA Secure ID Token. (Reply
to your letter PSX/C-46-2097)

Dear Ms. Asmaa,

Referred captioned subject Pakistan Engineering Company (PECO) is a State-Owned Enterprise (SOE) under the M/o Industries & Production since 1972, operating under the Economic Reforms Order, 1972 vide its Memorandum and Articles of Association. PECO is headed by its Managing Director (BPS-21), who is appointed by the Federal Government/ PMs Office through the Establishment Division.

The Chief Financial Officer and Chief Internal Auditor were terminated from the company after the discovery of criminal sabotage of very serious nature by these contractual employees with immediate effect. After that, the cases were referred to the National Accountability Bureau (NAB) where the investigations initiated vide letter no. 1(61)/HQ/954/IW-III/NAB-L against previous CFO, GM internal audit and other senior management are in progress. Cybercrime wing FIA (Federal Investigation Authority) has also initiated investigations regarding data deletion from the company's computer servers, against the terminated ex-employees.

According to the disclosure requirement of 4th schedule, The Company Act 2017 addresses of head office and production facilities are compulsory to disclose in the financial statements of the company as has already been intimated to you vide Peco's Letter number CFO/PECO/2019/0033 dated 25th April 2019. The same can be seen on 02nd page of the financial statements and in addition to this since last year September 2018, the head office has been shifted to the production facility located at Kot Lakhpat, Lahore. Now the question of the change in address should be set aside as both the addresses have already been reported at appropriate forums and in furtherance of this none of the addresses is a private residential or commercial.

It was the National Accountability Bureau (NAB)s Notice No. 1(61) HQ/954/NAB-L dated 20th November 2018 that directed private directors to halt all their activities including board meetings until further orders of NAB. Now this board meeting which was referred to in the letter was illegal and a team of investigation officers is further investigating this violation of the law. Under these circumstances, all the decisions of this privately led defunct board must be considered illegal. The Managing Director of the company, Mr. Mairaj Anees Ariff is looking after all affairs of the Company in compliance of the Economic Reforms Order, 1972 in place of the 'Defunct' board vide NAB's Notice of 1(61) HQ/954/NAB-L -2018.



PAKISTAN ENGINEERING COMPANY LTD.

Company of State Engineering Corporation, Ministry of
Industries and Production, Government of Pakistan.

All functions and responsibilities under the applicable laws are being complied with by the company and commercial operations have re-started since March, 2019 after 4 months due to criminal sabotage activities by the same (illegal) private investor/shareholders and their accomplice employees (now terminated).

The attachment files include NAB investigation orders against the terminated ex-Chief Financial officer and terminated ex-General Manager Audit, Orders of the NAB to halt all the board meetings. This letter of NAB No. 1(61) HQ/954/NAB-L dated 20th November 2018 to halt the meetings is in itself a Prima Facie evidence to prove the Defunct status of the board of directors.

In order to perform its reporting and compliance responsibilities, the Company is in the process of reconstructing the Website that's why it may take some time to upload the material information in time. The competent authority has authorized Mr. Ali Ahmed Qureshi CFO ACMA to also act as company secretary.

Please be advised that PECO is a State-Owned Enterprises since 1972 and lawfully operating under its Articles and Memorandum of Association, and most importantly under the core law, i.e. Economic Reforms Order, 1972 that grants unequivocal powers to the Federal Government through its appointed Managing Director to operate all affairs of the Company in place of the Board, if so required.

Any further facilitation of the terminated criminal ex-employees by the PSX to damage PECO's market reputation, commercial operation through the publication of false information/rumours, would help these criminal elements in achieving their nefarious aim of causing irreversible damage to State property, which we are confident is not the aim of PSX.

In view of the foregoing, it would be prudent and lawful to kindly block the previously issued PUCARS and RSA of PECO and activate the new PUCAR, RSA, secure IDs and other devices used for uploading data, so as to enable PECO to fully comply with PSX regulations.

Kind regards

[Ali Ahmed Qureshi]
Company Secretary

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